

## **Idaho Public Utilities Commission**

Case No. PAC-E-13-11, Order No. 32901

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### **BPA credit to increase for Rocky Mountain Power customers**

A federal electric rate credit passed along to residential and small-business customers of Rocky Mountain Power increased today and the Idaho Public Utilities Commission is hoping a settlement of one remaining disputed issue will eventually result in a larger credit.

The commission this week adopted a Bonneville Power Administration residential exchange credit of 0.3095 cents per kWh on an interim basis pending further discussion. The credit was 0.1839 cents per kWh. For a residential customer who uses Rocky Mountain Power's average 840 kilowatt hours per month, the monthly credit increases from \$1.54 to \$2.60, resulting in a 1.3 percent decrease to the residential bill.

The Bonneville Power Administration markets and distributes power to consumer-owned electric utilities in Oregon, Washington, Montana and Idaho. BPA power is generated from federal dams in the Columbia River system. While customers of publicly-owned utilities (like rural co-ops and the City of Idaho Falls) have preferential access to BPA power, the Northwest Power Act of 1980 also requires that customers of private, investor-owned utilities (85 percent of Idahoans) also share in the benefits of the region's federal hydroelectric projects through a financial credit as part of BPA's Residential Exchange Program (REP). The amount of the credit is determined by formulas using various factors, including a utility's average system cost for producing power. If an investor-owned utility's average system cost to produce electricity results in rates higher than those offered to BPA public utility customers, customers of investor-owned utility are issued a credit.

PacifiCorp is one of six Northwest investor-owned utilities whose customers can qualify for a credit. PacifiCorp allocates its total credit among the three Northwest states it serves, including in eastern Idaho where it operates as Rocky Mountain Power. Commission staff disagrees with the way PacifiCorp has chosen to allocate its share of the credit to Idaho customers for the 2014-2015 fiscal years. The benefits to PacifiCorp customers in Oregon, Washington and Idaho total \$69.5 million over two years, with Idaho scheduled to receive \$6.55 million. The credit is partially determined by the amount of electric load served by PacifiCorp in each of the three states.

The commission agreed to adopt its staff recommendation that the 0.3095-cent per kWh be adopted on an interim basis, while reserving resolution of the disputed issue pending further discussions between staff and PacifiCorp.